

WORKFORCE OBSERVATIONS FOR SOUTHEAST WISCONSIN COUNTIES JANUARY 2002



December 2001 Labor Figures are Stable

The **Southeast WDA** counties, collectively, were relatively stable over the month from November to December despite the continued higher unemployment rates of 2001. The Southeast WDA not seasonally adjusted unemployment rate is 4.8 percent, which is down one-tenth of percentage point since November and is up 1.3 percent points from December 2000. One would expect this monthly stability as the three county area, given a 1990-2000 frame of reference, usually sees rates unchanged or drop a tenth of point or so. In short, despite the soft economy, we are still seeing expected seasonality in our labor force, at least in terms of the unemployment rate. One difference this year: except for Walworth County, the total labor force usually increases on the side of the employed part of the equation due to holiday hiring. This does not seem to be the case this year as industry and labor force data on page 2 show. The unemployment rate decreases are more product of fewer people considered "unemployed" rather than "employed"

The **Racine MSA** showed much better monthly signs and has not registered an unemployment rate increase since September. The December not seasonally adjusted rate is 5.9 percent, down one-tenth of a point over the month, but still remains considerably higher than a year ago, up 1.9 percent points from December 2000. The **City of Racine** experienced a sharp decline in its monthly unemployment rate from 10 percent to 9.2 percent, but it retains the highest Wisconsin city rate for the month of December.

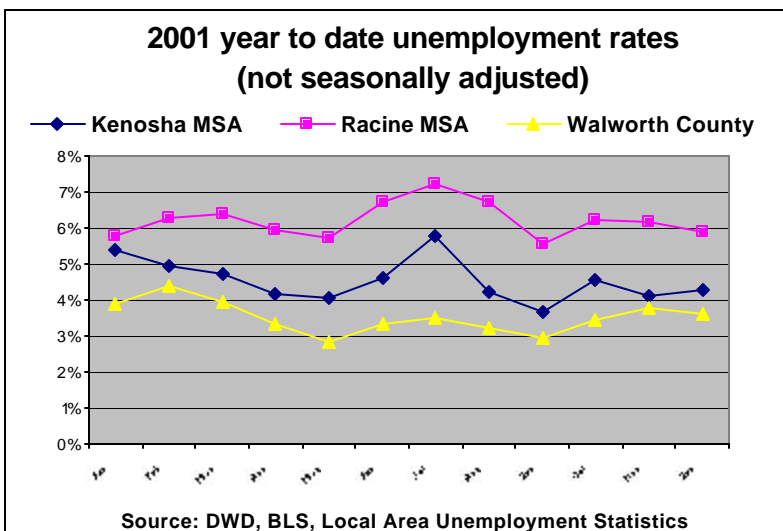
The **Kenosha MSA** not seasonally adjusted unemployment rate registered the only county rate increase over the month in the Southeast WDA, up one-tenth of a point to 4.3 percent. The rate is also up seven-tenths of a point over the year from the 3.6 percent rate in December. The **City of Kenosha's** unemployment rate is 5.4 percent, up two-tenths and eight-tenths of a percentage point over the month and year, respectively. Kenosha City's rate is the sixth highest of 28 cities with a population of 25,000 and greater.

Walworth County's unemployment rate, not seasonally adjusted, stood at 3.6 percent for December, which is two-tenths of a point lower than November's rate. Walworth's rate is 1.3 percent points higher than last December. The monthly change is a product of labor force reduction which Walworth typically sees between November and December, especially since the mid-1990s. The number of people who are unemployed and looking for work decreases at this time of year so they are not figured into the unemployment rate figure.

December Industrial Outlook

The **Racine MSA** gained 120 jobs *net* over the month. The gain was centered in retail trade (220 more jobs) as one would logically deduce due to the holiday season. Other positive signs were in services employment and FIRE combining for 140 jobs over the month. Job growth is always encouraging especially in light of the manufacturing slowdown. Racine over the month

lost 10 manufacturing jobs; still not encouraging but not the worst that the county has seen on a monthly basis during a recession. Over the year growth is 0.8 percent for all industries combined. This slight annual growth was founded upon increases in the services and government sectors. Manufacturing, obviously the hardest hit sector, has lost 5.5 percent of its employment since December 2000. Retail trade, despite its monthly gain, is the only other sector to show an annual decline in employment, a loss of about 1.4 percent or 200 jobs.



Walworth County's total number of jobs declined by 330 over the month with 200 of the jobs in construction. This is not uncommon for construction to see such dramatic changes in December even with the kind winter weather to date in this part of the state. Retail and wholesale trade saw dips, which is disconcerting but not unprecedented in Walworth County this time of year, especially when trade industries usually hire temporary seasonal employees during this time of year.

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The annual data show growth of nearly 750 jobs in Walworth County, despite almost 400 fewer jobs in manufacturing. Wholesale trade closely tied to manufacturing is the only other sector to show a decline since December 2000. FIRE sectors showed the largest annual growth of any industry in the region posting 19 percent or 260 more jobs than last year at this time.

The **Kenosha MSA** showed fewer jobs for the second consecutive month. Kenosha registered 80 fewer jobs *net*, saddled in manufacturing and construction losses of a combined 580 jobs but offset by a robust gain of 500 jobs in the services industry. The services boost was due to temporary help and other business services establishments getting a boost from holiday demand. The rest of the industries were flat over the month. The Kenosha MSA has been fairly stable over the last few months and even its manufacturing sectors have not reduced their employment so

heavily as they have in the recent past. Transportation equipment has had a few months of stability and slight growth in employment spurred by increased auto sales but has shed 400 jobs over the month. The hope is that this is seasonally related to holiday reasons, but the auto trade has been harshly hit over the last year. Despite the huge sales in November, sales were not as high in December. The annual industry outlook paints a picture familiar to the southeast region and the rest of the state as manufacturing employment has decreased 5.2 percent, all of this loss centered in durable goods production. Nondurable goods remained steady over the year. Services industry and construction employment increased the largest amount at 5.8 and 8.7 percent, respectively. Wholesale trade showed a very small reduction annually (-10 jobs) which is encouraging that it was not larger given its close relationship to the weakened manufacturing industry

| December 2001 | Wisconsin | Kenosha County/MSA | Racine County/MSA | Walworth County | Southeast WDA | City of Kenosha | City of Racine |
|---|-----------|--------------------|-------------------|-----------------|---------------|-----------------|----------------|
| Civilian Labor Force* | 3,035,224 | 85,331 | 94,924 | 53,436 | 233,691 | 50,503 | 39,333 |
| Persons Employed | 2,908,678 | 81,704 | 89,348 | 51,506 | 222,558 | 47,776 | 35,711 |
| Persons Unemployed | 126,546 | 3,627 | 5,576 | 1,930 | 11,133 | 2,727 | 3,622 |
| Unemployment Rate | 42% | 4.3% | 5.9% | 3.6% | 4.8% | 5.4% | 9.2% |
| Total jobs of all non-farm industries** | 2,851,590 | 57,259 | 83,736 | 41,617 | 182,612 | | |
| Goods Producing Jobs | 701,460 | 13,482 | 26,326 | 11,433 | 51,241 | | |
| Service Producing Jobs | 2,150,130 | 43,777 | 57,410 | 30,184 | 131,371 | | |
| Construction & Mining | 124,614 | 2,454 | 3,784 | 2,015 | 8,253 | | |
| All Manufacturing | 576,846 | 11,028 | 22,542 | 9,418 | 42,988 | | |
| Transportation, Communications & Public Utilities | 136,907 | 2,347 | 2,391 | 1,532 | 6,270 | | |
| Wholesale Trade | 136,970 | 2,803 | 3,539 | 1,539 | 7,881 | | |
| Retail Trade | 515,338 | 11,162 | 13,979 | 7,976 | 33,117 | | |
| Finance, Insurance, and Real Estate | 153,316 | 1,545 | 2,263 | 1,592 | 5,400 | | |
| Services | 788,128 | 16,477 | 24,454 | 9,853 | 50,784 | | |
| All Government | 419,471 | 9,443 | 10,784 | 7,692 | 27,919 | | |
| Change from November 2001 | | | | | | | |
| Civilian Labor Force* | -16,120 | -380 | -360 | -630 | -1,370 | -170 | -350 |
| Persons Employed | -11,980 | -430 | -60 | -510 | -1,000 | -250 | -20 |
| Persons Unemployed | -4,140 | 60 | -310 | -120 | -370 | 80 | -330 |
| Unemployment Rate | -0.1% | 0.1% | -0.1% | -0.2% | -0.1% | 0.2% | -0.8% |
| Total jobs of all non-farm industries** | -4,980 | -80 | 120 | -330 | -290 | | |
| Goods Producing Jobs | -10,660 | -580 | -260 | -280 | -1,110 | | |
| Service Producing Jobs | 5,680 | 500 | 380 | -50 | 830 | | |
| Construction & Mining | -7,480 | -120 | -250 | -200 | -570 | | |
| All Manufacturing | -3,170 | -460 | -10 | -70 | -550 | | |
| Transportation, Communications & Public Utilities (TCPUP) | 600 | 0 | -20 | 0 | -30 | | |
| Wholesale Trade | -150 | -20 | 0 | -10 | -20 | | |
| Retail Trade | 3,000 | 0 | 220 | -60 | 160 | | |
| Finance, Insurance, and Real Estate (FIRE) | 620 | 10 | 40 | 0 | 50 | | |
| Services | 3,200 | 510 | 100 | 0 | 610 | | |
| All Government | -1,600 | 0 | 40 | 20 | 60 | | |
| Change from December 2000 | | | | | | | |
| Civilian Labor Force* | 27,100 | 580 | 2,130 | 740 | 3,450 | 450 | 1,220 |
| Persons Employed | -10,280 | -20 | 270 | 30 | 290 | 40 | 110 |
| Persons Unemployed | 37,380 | 590 | 1,860 | 710 | 3,160 | 410 | 1,110 |
| Unemployment Rate | 12% | 0.7% | 1.9% | 1.3% | 1.3% | 0.8% | 2.6% |
| Total jobs of all non-farm industries** | -11,490 | 400 | 770 | 270 | 1,440 | | |
| Goods Producing Jobs | -36,190 | -330 | -1,220 | -310 | -1,860 | | |
| Service Producing Jobs | 24,700 | 730 | 1,990 | 580 | 3,300 | | |
| Construction & Mining | -1,220 | 190 | 40 | 80 | 310 | | |
| All Manufacturing | -34,970 | -530 | -1,250 | -390 | -2,170 | | |
| Transportation, Communications & Public Utilities (TCPUP) | -360 | -90 | 50 | 10 | -30 | | |
| Wholesale Trade | -2,740 | -10 | 170 | -60 | 100 | | |
| Retail Trade | 1,190 | -240 | -260 | 160 | -340 | | |
| Finance, Insurance, and Real Estate (FIRE) | 2,900 | -30 | -80 | 260 | 160 | | |
| Services | 13,790 | 860 | 1,430 | 30 | 2,320 | | |
| All Government | 9,910 | 230 | 680 | 190 | 1,100 | | |

* Labor force figures are **not** seasonally adjusted and are commonly revised. Figures from "place of residence" survey from the Bureau of Labor Statistics' Local Area Unemployment Statistics program.

**Figures based upon "place of employment" survey from the BLS, Non-Farm Wage and Salary estimates

Month and year ago change figures are rounded and may not sum to total

Questions and comments regarding this publication are welcome. Direct to: **Eric Grosso, State Labor Market Economist**
 201 E. Washington Avenue, Room G200, Madison, Wisconsin 53703
 608-266-7034 608-266-5887(FAX) E-mail: grossoer@dwd.state.wi.us
 Look for the most current Labor Market Information at: WWW.DWD.STATE.WI.US/LMI